

PENDING BUSINESS RULE DESIGN CHANGES AND DATA CORRECTIONS
AS OF 8/31/2004

I. Business rule modifications and data corrections pending resolution

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
Minimum generation cost recovery not prorated for generation dispatched below mingen	TBD	• May 2004	• N/A	• 243	• Transmission Customers: Bid production cost guarantee uplift costs may increase when corrected.	• Generators: Bid production cost guarantee revenue may increase when corrected.	• Fix to be deployed with SMD
January 1, 2004, the allocation of Day-Ahead Market (DAM) congestion rent excess/shortfall balancing was revised.	TBD	• March 2002 – present	• N/A	• 226	• Transmission Owners: Application of new allocation factors may cause additional DAM Congestion shortfall balancing costs.	• Transmission Owners: Application of new allocation factors may cause decrease in DAM Congestion shortfall balancing costs.	• OATT Attachment N provisions, effective 1/1/04, for rebalancing due to TO-specific facilities causing shortfalls not yet implemented.
DAM Contract Balancing should not have been available to a unit if it under-generates for one interval in an hour.	TBD	• August 28, 2001, forward	• N/A	• 232	• Transmission Customers: DAM Margin Assurance residual costs may decrease when corrected.	• Generators: DAM Margin Assurance supplemental payments may decrease when corrected.	• Fix to be deployed with SMD
LSE buses with enough generation to more than offset their withdrawals causing a negative load condition resulting in their payment as though they were a negative load.	TBD	• April 2004 through July 2004	• N/A	• 221	• Transmission Customers: Affected LSE's will see payments as a negative load removed.	• Transmission Customers: Customers may observe a decrease in Balancing Energy, losses, and congestion residuals, as well as changes to their LSE bus withdrawals due to changes in unaccounted for energy allocations across affected sub-zones.	• IT staff working on coding fix.
Reimbursement for extraordinary costs incurred during the August 14 – 17, 2003 system disturbance.	~\$350K	• August 15 & 16, 2003	• N/A	• N/A	• Transmission Customers: Customers will fund reimbursements via manual invoice adjustments	• Petitioners: Customers will realize reimbursements via manual invoice adjustments	• Two payments, totaling ~\$350K, pending.
Local Black Start Collection of Fees	~\$1.5M	• September 2002 forward	• N/A	• 58	• Transmission Customers: Customers will fund locational Black Start costs per their ratio share of locational withdrawals	• Generators: Customers will realize additional Black Start revenue.	• Issue is still under discussion with affected parties & PSC.
A claim made through NYISO dispute resolution process regarding operation of the AMP	~\$896K	• August 2001 [potential settlement will be charged in current month's billing]	• N/A	• 117	• Transmission Customers: Funding of any awards from arbitration will be done via manual invoice adjustments to the month in which the FERC order received per the provisions of OATT Schedule 1.	• Petitioners: Customers will realize reimbursements via manual invoice adjustments	• Pending at FERC.

II. Resolved business rule modifications and data corrections pending adjustment through the normal settlement cycle

DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
SRE uplift not allocated to local reliability	TBD	• TBD, but prior to 8/04	• N/A	• N/A	• Withdrawals: Withdrawals will observe an increase in Schedule 1 Local Reliability Rule uplift costs.	• Withdrawals: Withdrawals will observe a decrease in Schedule 1 NYISO-wide uplift costs.	• To be fixed prior to settlement adjustment.
Manual adjustments for RS1 85/15 allocation incorrect	~\$2.8M	• March 2004	• N/A	• N/A	• Transmission Customers: Withdrawals will observe an increase in Schedule 1 costs.	• Suppliers: Injections will observe a decrease in Schedule 1 costs.	• To be fixed manually in the September 8, 2004 invoice.
Multiple records in integrated Real-time actual resulting from daylight savings time change.	Data correction issue – no financial impact	• April 4, 2004	• 20040406150030	• 227	• Data correction issue – no impact on billing	• Data correction issue – no impact on billing	• Data corrected
Error in automated data exchange resulted in erroneous under-generation penalties.	~4M	• August 2001 to April 2004	• N/A	• 217	• Transmission Customers: May observe increase Regulation Service costs due to decrease in penalty revenue.	• Generators: May observe a decrease in Regulation Penalty costs.	• System fix deployed on 5/24/2004. Retroactive data fix completed on 6/14/2004.

RED TEXT INDICATES ISSUES ADDED SINCE LAST POSTING

FOR DISCUSSION PURPOSES ONLY

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DESCRIPTION	ESTIMATED IMPACT	PERIOD(S) AFFECTED	CRITAR TICKET XREF	BILLING ISSUE XREF	EXPOSURE	BENEFIT	Status
FERC ordered non-competitive proxy bus - designed to limit the extent to which prices can be set at non-competitive levels.	~\$8.9M	• June 2003 to April 2004	• N/A	• 214	• Transmission Customers: Customers may observe increased transmission usage charge costs.	• Transmission Customers: Customers may observe decreased congestion residual costs.	• Code fix deployed on April 21, 2004. Historical price corrections verified by NYISO Market Monitoring.
Congestion forgiveness incorrectly calculated under certain circumstances.	~ \$72K	• March 2000 to April 2002; August 2002 – April 2003; August 2003; January 2004; April 2004	• N/A	• 195 • 207	• Transmission Owners: Potential increase in RT congestion shortfall costs when TCC rents were negative • TCC Holders: Potential negative TCC rent	• Transmission Owners: Potential reduction in RT congestion shortfall costs • TCC Holders: Potential additional TCC rent	• Fix deployed 3/25/2004
Congestion forgiveness incorrectly calculated due to reconfiguration of GFR POI not implemented within settlement software.	TBD	• 2003: October – November;	• N/A	• 213	• Transmission Owners: Potential increase in RT congestion shortfall costs when TCC rents were negative • TCC Holders: Potential negative TCC rent	• Transmission Owners: Potential reduction in RT congestion shortfall costs • TCC Holders: Potential additional TCC rent	• Fix deployed 4/23/2004
Incorrect mitigation of units dispatched OOM/SRE	~\$15.7M	• July 2001 – October 2001, Oct 2002,	• N/A	• 187	• Generators: Potential decrease in RT BPCG revenue	• ConEd Transmission district withdrawals: Customers will realize decreased LLR Bid Production Cost Guarantee uplift costs.	• Fix deployed on 11/13/2003.
DAM Margin Assurance settlement design change to ensure that the upper bound of DAMAP is set at greater of SCD or adjusted MW v's scd or actual MW	~\$48,000	• March 2000 – December 2001; August – November 2002;	• N/A	• 184	• Suppliers: Potential decrease in DAM Margin Assurance revenue.	• Transmission Customers: Potential decrease in DAM Margin Assurance costs.	• Software fix deployed on 12/17/2003
Calculation of mingen reference price in mitigation code did not use the correct variable O & M costs.	~\$1.8M	• August & September 2003	• N/A	• 166	• Transmission Customers: Withdrawals may be charged additional Schedule 1 uplift due to increased bid production cost guarantee payments	• Generators: Potential increased bid production cost guarantee revenue	• The data fix was deployed on 9/15/2003.
Design warranted for RT BPCG calculation for off dispatch units.	TBD	• August 2001, August 2002	• 20030303173317	• 157	• Transmission Customers: Withdrawals may be charged additional Schedule 1 uplift due to increased bid production cost guarantee payments	• Generators: Potential increased bid production cost guarantee revenue	• Fix deployed on 9/4/2003.
Errors in PTS calculations during Reserve Pickup intervals.	~ \$7M	• 2001: January, July, September, & December • 2003: October - November	• N/A	• 162 • 198 • 208	• Transmission Customers: Potential increase in OATT Schedule 1 balancing energy, losses, & congestion residuals • Generators: Potential decrease in BPCG due to increased energy revenue	• Generators: Potential increase in energy revenue.	• Fix deployed on 8/26/2003.